

# Weekly Market Bulletin

State of New Hampshire  
**John H. Lynch**  
*Governor*

Department of Agriculture, Markets & Food  
**Stephen H. Taylor**  
*Commissioner*

**Vol. 86**

**Wednesday, June 13, 2007**

**No. 15**



**From Your Commissioner...**

## **Surging Expenses Chill Milk Price Excitement**

Farm milk prices in New England are being forecast to hover around \$22 a hundredweight next month through the rest of the year, a prospect that would seem to portend boom times ahead for producers still dealing with the effects of last year's \$12 depression.

But when the grain bill comes, followed by the fuel and electric bills and all the others, it's nowhere near a rosy picture. Adjusted for inflation, \$22 milk lags well below the \$11 milk of the late 1970s in buying power for dairy producers, which underscores how greatly genetic advances, new technology and improved management have impacted the survival of today's dairy industry.

Forecasts for the Boston blend price developed by Agri-Mark economist Bob Wellington call for a June number of \$20.53, followed by \$22.39 in July, then \$22.32 for August, \$22.19 in September, \$21.96 in October, \$21.92 for November and \$21.70 in December.

Meanwhile much dairy industry attention is on Washington, where House and Senate agriculture committees are drafting their respective versions of the 2007 Farm Bill. Dairy provisions are invariably complicated and generate intense battling between regions.

Processor interests also weigh in on dairy policy, and the International Dairy Foods Association, the umbrella group representing some 220 U.S. dairy processing firms, is currently pressing its agenda on Capitol Hill. IDFA wants to scrap federal dairy price supports and end the Milk Income Loss Contract program, providing instead a package of direct payments, revenue insurance and forward-contracting arrangements for farmers.

Such proposals are aimed at keeping farm milk prices low while shifting the burden of sustaining dairy production from the marketplace onto the government.

\* \* \* \* \*

U.S. supermarket chains are climbing back to health following several years of turmoil brought on by the aggressive price-slashing of Wal-Mart.

More than 25 supermarket chains filed for bankruptcy over the past seven years, and others sought renewal by being bought out or merging into stronger food retailing organizations. The result is fewer but more nimble chains better suited to counter Wal-Mart's onslaught into the grocery business.

Shoppers are showing a growing preference for the greater variety in merchandise and higher quality store environments afforded by well-run conventional supermarkets in contrast to super-centers and membership club stores, the Wall Street Journal reports.

\* \* \* \* \*

The U.S. Forest Service, the state Division of Forests and Lands and other forestry agencies around the Northeast are warning about the dangers to the environment posed by importation of firewood by campers traveling from distant states. Exotic pests can be accidentally introduced when kindling and chunk wood from other areas of the country are brought here.

Among the bugs of greatest concern are the emerald ash borer, already devastating hardwoods in the Midwest, and the dread Asian longhorned beetle, which has shown up in metropolitan New York, Toronto and Chicago after hitching rides from the Far East in crating and pallet wood.

NHDAMF's Division of Plant Industry is part of the regulatory apparatus conducting surveillance on these and other threats to our state's natural environment.

The Division has also been taking enforcement action against marketers of landscape plants that are on the state Invasive Species Act's Prohibited List.

The three prime banned plants are Norway maple, Japanese barberry and burning bush, which continue to show up in big-box store garden departments despite previous warnings and administrative fines.

**Steve Taylor, Commissioner**